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Congressman Childers Backs Legislation to Stop Oil Speculation, Lower Gas Prices

July 30, 2008

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"Americans are getting hit hard by skyrocketing gas prices and our whole economy is suffering," said Congressman Childers. "Today's legislation would help crack down on oil speculation and increase transparency in the markets affecting prices at the pump. I'm proud to support this effort to lower fuel costs and will continue to do everything I can to ease the burden of our country's energy crisis on the people of North Mississippi."

Congressman Childers helped pass H.R. 6604 by a voice vote in the Agriculture Committee, on which he serves, but the legislation was unable to pass today in the House.

H.R. 6604 would put an end to speculation loopholes and create market transparency through the following provisions:

- Requires foreign boards of trade to share trading data and adopt speculative position limits on contracts that trade U.S. commodities similar to U.S.-regulated exchanges.
- Requires the Commodity Futures Trading Commission (CFTC) to set trading limits for all

agricultural and energy commodities in order to prevent excessive speculation (many agriculture commodities have already set trading limits, however energy commodities have not);

- Limits eligibility for hedge exemptions to bona-fide hedgers.
- Codifies CFTC recommendations to improve transparency in dark markets by disaggregating index funds and other data in energy and agricultural markets, as well as requiring detailed reports from index traders and swap dealers.
- Calls for a minimum of 100 full-time CFTC employees to enforce manipulation and prevent fraud. Despite record trading volume in the futures and options markets, CFTC staffing is at its lowest level since the agency was created in 1974.
- Authorizes CFTC to take action if it finds disruption in over-the-counter markets for energy and gas.
- Requires the CFTC to study the effectiveness of establishing position limits in over-the-counter markets.

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